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THE IMPACT OF JOINING THE EU ON THE CZECH LABOUR MARKET

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1. INTRODUCTION AND OBJECTIVES

The right and opportunity to live and work in different Member States within the European Union, as it is highlighted in the Treaty of Rome, reflects an important political aspiration for European citizens, as the number of people actually moving between the Member States has not generally ranged to this aspiration throughout much of the Union's history.

The main aim of this thesis is to express the extent of the impact of joining the European Union on the Czech labour market.

3. METHODOLOGY

I have selected the method of comparison analysis to process the materials, which were gathered from public sources, and the enquiry method to process data gathered during my personal research.

4. OWN WORK AND RESULTS

The increasing rate of unemployment evokes the demand for active employment services, including the job mediation and counselling. The development of capabilities of employment services in the CR, including the needed financial security, requires mainly these steps:

- liberate the Labour offices of non-consistent activities, which are not connected with their main mission, and which also push them to the role of mainly administrative institution and do not enable them to enlarge the creative activities in relation to clients of employment services,
- open a mediation on the Labour office for all, with the offer of real service with an emphasis on prevention,
- extend the "self-service" job mediation including the improvement of database of jobs and educational opportunities with utilization of modern information technologies,
- reinforce the individual approach,
- personally reinforce the public employment services (not only quantitatively, but also qualitatively),

- process and implement the concept of special (ongoing) education of the workers, which are on the Labour office. The education must be done in all areas of their activity, leading by employment services administration.

The rate of positive impacts will depend not only on preparedness of particular regions to offer favourable conditions for foreign and domestic investors, but also on preparedness to draw the resources from the EU structural funds, mainly from the European regional development fund. The EU accession will have negative impact – deepening of cross regional differences, if stagnant regions will not achieve in pre-accession period the sufficient experiences with the preparation of acceptable programmes for financing from the EU resources.

The administration of employment policy is in the Czech Republic one of the sections of Ministry of Labour and Social Affairs and it is structured in other branches. The strategic and conceptual potential dissolves in the procedures and order, which copies the structure of labour offices. The labour offices are regional authorities of the state autonomies in the area of employment. The labour offices provide both active employment policy as well as the unemployment benefits.

The area of employment, differently from other member states, miss lacks in the Czech Republic the unitary basic system, which should modify the employment policy financing – resources, ways of drawing, utilization. Resources for employment policy are resources of the state budget. These resources are regulated by given rules for management with state resources. At present time this dual regime complicates the providing of these resources to particular employers and also it complicates the purpose-built determination.

The most problematic regions (NUTS2) – Northwest region and Ostrava region – are characterised by inhibition of mineral resources mining, restructuring of metallurgy and machine industry, low diversification of economic activities and low level of labour force qualification.

To ensure the economic development in these regions, there is a necessity to support the development of small and medium enterprises and to ensure such industrial difference that would not permit the repetition of the present situation. This situation was caused by one-sided orientation on heavy industry. This orientation caused the high rate

of unemployment, devastation of nature, pollution of living environment and other negative effects, which influence the pertinent interest of investors accession till now.

The necessary condition for decreasing the share of long-term unemployed people is the real activation of active employment policy. It is also necessary to follow action plan from year 2002, because the investors want to have a prepared labour force available. This means flexible, qualified workers, with sufficient working habits, who are able to start work immediately.

After EU accession Czech Republic will be threatened by the possibility of qualified workers outflow. The foreign firms, solving their lack of personnel, are able to offer advantageous working conditions, even through the existence of transitional limitations in area of free movement of labour force in first years of EU accession.

After the EU accession it was assumed that Czech Republic would become a part of the EU with all the rights of the ordinary members. But the reality is different, there was determined so-called transitional period (at first for 2 years), which will disallow Czech workers to work in EU countries without labour permit. In first two years after joining the EU, the access on the labour market of the current member states will depend on national legislation and policies, as well as on bilateral agreements, which these countries can conclude with new members.

5. CONCLUSIONS

According to opinion of Czech people, there is no big interest to look for a job in some of EU countries. Main reasons, why they do not want to look for a job, are usually family matters, their conservative approach toward changes, high living costs in EU countries and many other reasons. But in other questions about future development of the Czech labour market after EU accession, we can say that the attitude of Czech people towards employment in EU is quite positive.

The disadvantage of the EU accession could be the threat of huge competition in the fields of quality, innovations and services. There is a strong possibility that weaker firms will go bankrupt. The possibility, how to face the problem, are innovations in technologies, production organisation, and marketing. There will be also higher requirements on management skills and personnel.

According to present trends, the unemployment rate will, in the long-term perspective, decrease. The wage level is currently bellow the EU level, but there is increase expected. Naturally, there is expected outflow of Czech specialists into the other EU countries.

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